

ORDINANCE NO. 1791

AN ORDINANCE TO ESTABLISH WATER AND WASTEWATER RATES FOR ALL CUSTOMERS OF THE CITY OF FAIRHOPE WATER AND WASTEWATER SYSTEMS AND TO REPEAL AND REPLACE ORDINANCE NO. 1759.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF FAIRHOPE, ALABAMA, as follows:

ARTICLE III. WATER

AMEND - Sec. 21-38 RATE - SCHEDULE

(a) Water rates schedule:

- W1 Inside the City Limits:
 - Minimum Charge \$14.00
 - Plus, each 1,000 gallons \$2.60 (1,000 - 6,999)
 - Usage 7,000 gallons and greater \$3.60
 - Plus LCA and Tax

- W2 & W3 Outside the City Limits
 - Minimum Charge \$17.50
 - Plus, each 1,000 gallons \$3.80 (1,000 - 6,999)
 - Usage 7,000 gallons and greater \$4.85
 - Plus LCA and Tax

- IRR1 Inside the City Limits:
 - Minimum Charge \$14.00
 - Plus, each 1,000 gallons \$3.60
 - Plus LCA and Tax

- IRR2 & IRR3 Outside the City Limits:
 - Minimum Charge \$17.50
 - Plus, each 1,000 gallons \$4.85
 - Plus LCA and Tax

(b) Labor Cost Adjustment (LCA) Factor. The base rates set forth above may be adjusted periodically to account for permanent changes in labor-related revenue requirements (e.g., salaries and wages, pensions, and benefits, etc.) that come about as a result of budget actions taken by the City Council for a fiscal year. Such adjustment, when approved by the City Council, shall be calculated as follows:

- $LCA = 1 + ((TLCB - TLCPY) / BRRR)$
- Where: TLCB = The total annual labor cost, in dollars, that is reflected in the electric utility budget for the coming fiscal year, as approved by the Board.
- TLCPY = The total actual annual labor cost, in dollars, that was incurred by the electric utility for the prior fiscal year.
- BRRR = The total estimated revenue requirement, in dollars, that is being recovered in current base rates.
- The LCA factor so calculated shall be applied to each retail rate set forth above such that it will result in new base wastewater (sewer) rates. Thus, when applied, a new TLC PY and BRRR will be established for future LCA calculations. The following accounts shall be used in the determination of total labor costs as reflected in TLCB and TLCPY:

- Salaries
 - Payroll Taxes
 - Retirement Expense
 - Insurance: Employees Group
 - Employee Retirees Medical Insurance
 - Workers Compensation Insurance
- Note: the listing of accounts used to determine TLCB and TLCPY may be modified from time to time as prescribed by the City's accounting and budget procedures.

ARTICLE IV. WASTEWATER (SEWER)

AMEND - Sec. 21-54 RATE – SCHEDULE

(a) Wastewater (sewer) rates schedule:

- S1 Inside the City Limits:
 - Minimum Charge \$22.00
 - Plus, each 1,000 gallons \$5.30
 - Plus LCA
- S2 & S3 Outside the City Limits
 - Minimum Charge \$24.50
 - Plus, each 1,000 gallons \$6.40
 - Plus LCA

Any household that does not have City of Fairhope water service will be charged a flat rate:

- Inside the City Limits \$58.30
- Outside the City Limits \$74.20

(b) Labor Cost Adjustment (LCA) Factor. The base rates set forth above may be adjusted periodically to account for permanent changes in labor-related revenue requirements (e.g., salaries and wages, pensions, and benefits, etc.) that come about as a result of budget actions taken by the City Council for a fiscal year. Such adjustment, when approved by the City Council, shall be calculated as follows:

- $LCA = 1 + ((TLCB - TLCPY) / BRRR)$
- Where: TLCB = The total annual labor cost, in dollars, that is reflected in the electric utility budget for the coming fiscal year, as approved by the Board.
- TLCPY = The total actual annual labor cost, in dollars, that was incurred by the electric utility for the prior fiscal year.
- BRRR = The total estimated revenue requirement, in dollars, that is being recovered in current base rates.
- The LCA factor so calculated shall be applied to each retail rate set forth above such that it will result in new base wastewater (sewer) rates. Thus, when applied, a new TLC PY and BRRR will be established for future LCA calculations. The following accounts shall be used in the determination of total labor costs as reflected in TLCB and TLCPY:
 - Salaries
 - Payroll Taxes
 - Retirement Expense
 - Insurance: Employees Group
 - Employee Retirees Medical Insurance
 - Workers Compensation Insurance

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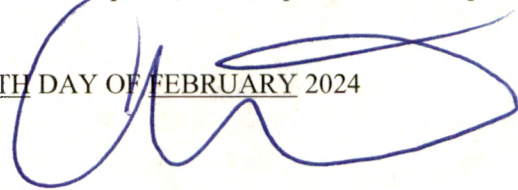
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- Note: the listing of accounts used to determine TLCB and TLCPY may be modified from time to time as prescribed by the City's accounting and budget procedures.

Severability. The sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by a court of competent jurisdiction, then such ruling shall not affect any other paragraphs and sections, since the same would have been enacted by the municipality council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

Effective Date. This ordinance shall take effect on April 1, 2024, upon its due adoption and publication as required by law.

ADOPTED THIS THE 26TH DAY OF FEBRUARY 2024

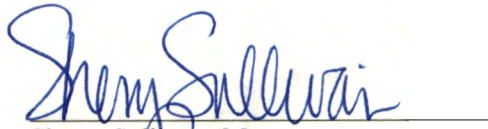


Corey Martin, Council President

Attest:


Lisa A. Hanks, MMC
City Clerk

ADOPTED THIS THE 26TH DAY OF FEBRUARY 2024


Sherry Sullivan, Mayor

Ord. No. 1791 Published in
FAIRHOPE COURIER
on Friday, March 8, 2024
L. Hanks City Clerk